



# USAID | BOLIVIA

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Communications Office: (591-2) 278-6585  
Public Information: (591-2) 278-6544  
Email: [lapazcommunications@usaid.gov](mailto:lapazcommunications@usaid.gov)  
<http://www.usaidbolivia.org.bo>

## PRESS RELEASE

### **USAID AWARDS \$60 MILLION FOR RURAL COMPETITIVENESS DEVELOPMENT**

**LA PAZ, BOLIVIA** – USAID has awarded a \$60 million, five-year contract to Chemonics International Inc. to develop and implement a rural competitiveness program in the Chapare and Yungas (coca-growing regions of Bolivia.) The award was made in March 2005 and the new program complements a highly effective, six-year activity for the consolidation of alternative development efforts in Bolivia's Chapare region.

The rural competitiveness activity will focus on removing regulatory, institutional and market constraints to assist rural businesses through a private sector-focused and market-driven approach. Rural businesses in the Chapare and Yungas will benefit from improved access to transportation, distribution and sales systems. This access will increase the value of goods sold while improving efficiency and, ultimately, profitability. The increased competitiveness of rural enterprises promotes the expansion of a sustainable economy in the Yungas and Chapare regions of Bolivia. USAID anticipates this activity will help businesses in coca-growing areas to increase value, employment, and incomes in a licit market economy. The new contract will build upon the successes of past Alternative Development initiatives, such as the increase of licit crop production in the Chapare (which expanded to 144 thousand hectares in 2004, up from less than 136 thousand hectares in 2003) and the increase of private investment there (\$95 million in 2004, compared to \$85.5 million in 2003).

The rural competitiveness activity continues USAID's cooperation with the Government of Bolivia in support of counter narcotics policies and alternative development. The current award is part of the more than \$100 million in annual assistance USAID provides to Bolivia. In addition to the promotion of licit economic growth in coca-growing and associated areas, USAID addresses sustainable management of forest, water and biodiversity resources; increased income opportunities for the poor through enterprise development and increased trade; enhanced confidence in democratic institutions and processes, and improved health of Bolivians.

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